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FEDERAL COMMUNICATIONS COMMISSION
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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
	)	
Access Charge Reform for Incumbent Local Exchange Carriers Subject to Rate-of-Return Regulation	)))	CC Docket No. 98-77

<u>REPLY COMMENTS OF LEXCOM TELEPHONE COMPANY</u>

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Summary

With the exception of a few parties that see the FCC's* plan as a way to shift costs from themselves to residential and small business customers, the more than 40 parties filing comments in this proceeding had serious criticisms of the FCC's plan. This administrative record demonstrates that access charge reform, as proposed by the FCC, would undermine universal service in contravention of the Communications Act. In light of these legitimate concerns, the FCC should not proceed with access charge reform now. The FCC should, rather, open a general inquiry into the price deregulation of small ILECs.

AT&T's argument to lower the authorized rate of return from 11.25% is plainly wrong. AT&T ignores the increased business risk of competition faced by small ILECs. Just as AT&T supported a higher rate of return for itself as the FCC began to adopt policies favoring more competition, so now competition in the local exchange market warrants a higher rate of return for small ILECs. Large carriers, such as AT&T and the RBOCs, have large customer bases that help dilute the impact of competition on their financial results. Small ILECs, on the other hand, could suffer financial ruin with the loss of a handful of customers.

Lexcom strongly opposes AT&T's proposal to link a small ILEC's access charges to those billed by large price cap ILECs. Such a regulatory scheme would be unlawful, even when accompanied by AT&T's suggestion that any shortfall in revenues could be covered by the

* All abbreviations are explained in the body of the comments

Universal Service Fund. AT&T's Universal Service Fund proposal is hollow, would not cover all costs incurred by small ILECs, and could well result in a substantial loss of universal service in rural markets.

Lexcom and AT&T do agree, however, that small ILECs should recover a substantial amount of costs on terminating access charge minutes. Capping the terminating CCL charge at 1¢ per minute or lower discriminates against long distance carriers that originate calls in rural exchanges by forcing them to pay higher originating CCL rates and ignores the value of universal service to those long distance carriers that only terminate calls to rural exchanges.

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<u>REPLY COMMENTS OF LEXCOM TELEPHONE COMPANY</u>

Lexcom Telephone Company ("Lexcom") respectfully submits the following reply comments in response to the Federal Communications Commission's ("FCC") Notice of Proposed Rulemaking in the above-captioned proceeding.[1] Lexcom will not respond herein to every point made by the more than 40 parties that filed comments in this important docket. Rather, Lexcom limits its replies to four subjects. These subjects are as follows: the lack of support for the FCC's proposals for access charge reform for rate-of-return regulated incumbent local exchange carriers ("ILECs"): AT&T's specious argument that the current authorized rate of return of 11.25% is excessive; AT&T's unreasonable proposal to tie the access charges of small ILECs to the access charges billed by the large price cap regulated ILECs; and why small ILECs should recover significant amounts of costs from terminating access charges.

[1] *Access Charge Reform for Incumbent Local Exchange Carriers Subject to Rate-of Return Regulation*, Notice of Proposed Rulemaking, CC Docket No. 98-77, FCC 98-101 (rel. June 4, 1998) ("*Notice*").

The Majority of Comments Filed in this Proceeding Agree that Access Charge Reform as Proposed by the FCC Would Undermine Universal Service in Violation of the Communications Act

Of the more than 40 parties that filed initial comments in this docket, most had serious and legitimate criticisms of the FCC's plan to overlay, on small ILECs, the complex access reform plan designed for very large ILECs, which have operated under different regulatory incentives (*i.e.*, price caps) since the early 1990s. Only three commenting parties, AT&T, the General Services Administration ("GSA") and General Communications, Inc., offered any positions that could be characterized as broad support for the Commission's plan. AT&T and GSA's support appears to stem from their belief that access charge reform, as proposed by the FCC, would transfer access charge costs from themselves and other large users to residential and small business customers. General Communications, Inc., an Alaska-based competitive local exchange carrier ("CLEC"), views access charge reform as a means to assist its entry into the local telephone service market.

Lexcom submits that both AT&T and GSA correctly understand the likely impact of the FCC's proposed reform of access charges for small ILECs – large rate increases for residential and small business customers. Lexcom also reluctantly agrees with these parties to the extent that they and other large users of telecommunications services would be benefited if they could shift costs from themselves to other customers. However, we strongly disagree that major local rate increases, which would be even larger in high-cost rural markets, for residential and small business customers would be in the public interest or would be economically sound.

The FCC, state regulators and Congress have agreed for many years that local telephone service should be affordable and widely available, and that all users of interstate services, including the largest users, must contribute to support the local network. In its passage of the Telecommunications Act of 1996, Congress codified this universal service principle into law.[2] Therefore, the FCC must measure its proposed access charge reform plan against the FCC's statutory duty to preserve and promote universal service. Access charge reform, as proposed by the FCC, would effectively raise local rates significantly in rural areas through substantial increases in the subscriber line charge ("SLC") and the introduction of flat-rated primary interexchange interconnection charge ("PICC"), which is being passed through to end user customers.[3] These major increases in local telephone rates would cause many customers, both residential and small business, to disconnect part or, in some cases, all of their local telephone service. Having fewer Americans connected to the telephone network does not constitute universal service, is not in the public interest, and violates Section 254 of the Communications Act, as amended.

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[2] Section 254(b); codified as 47 U.S.C. §254(b).

[3] AT&T, the largest interexchange carrier in the United States, has recently announced that all new customers must pay a minimum of $3 per month, even though they do not make any long distance telephone calls. "Early Warning: AT&T to Make Switches Costly," *Money*, Oct. 1998. Lexcom believes that most of AT&T's customers who will be affected by this new charge will suffer the same impact as if there were a local rate increase.

Increasing local telephone rates to levels that reduce connectivity is unsound from a macro-economic perspective. Telecommunications is a great facilitator of American commerce. More and more commerce is transacted through telecommunications services each year. Local service price increases that reduce the ability of companies and their customers to transact business over the telephone network, by reducing the number of connected access lines, would reduce this country's gross domestic product, personal income and tax revenues. Lexcom is confident that the American public will not support public policies that could reduce national and personal prosperity just to enrich the bottom lines of a few large-volume users of interstate services. Access charge reform, as proposed, must be rejected since it is not in the public interest and would likely violate the Communications Act.

In contrast to these few parties seeking only to benefit themselves, the majority of parties filing comments raised legitimate, serious concerns about the FCC's proposal. MCI, for example, argues[4] that the FCC should not divert its attention and limited resources from larger issues, such as continued price cap ILEC access charge reform, which affects more than 90% of the nation's access lines, and universal service reform

The Pennsylvania Public Utility Commission expressed its serious concerns[5] that access charge reform might have a very different effect on small, rate-of-return regulated ILECs than it did on large, price cap regulated ILECs, because of the different nature of the rural markets

[4] MCI Comments at 3-4.

[5] Pennsylvania Public Utilities Commission Comments at 1-2.

served by rate-of-return ILECs. Many other parties urged the FCC not to proceed with further access charge reforms for small ILECs until the Commission has completed separations reform and addressed important issues related to universal service support.[6]

In view of the overwhelming lack of support for the FCC's overall proposal, the FCC should not proceed with access charge reform for rate-of-return ILECs at this time. Rather, the FCC should first complete its inquiry into separations reform and ensure that all universal service support issues are fully addressed. In the interim, the FCC should adopt Lexcom's earlier recommendation[7] to open a broad inquiry into the deregulation of small ILECs.

Other parties support a broader proceeding to address other access charge-related issues as well. The Independent Telephone and Telecommunications Association ("ITTA"), which represents mid-sized ILECs, called for the FCC to adopt a new approach to the deregulation of mid-sized ILECs.[8] Others see the FCC's proposal as inadequate because it failed to address pricing flexibility for rate-of-return ILECs,[9] an important issue that Lexcom has asked the FCC to include in a small ILEC deregulation inquiry. The FCC should address all of these issues in a general inquiry, as recommended by Lexcom, rather than impose a complex and burdensome access charge structure that will not work in rural markets.

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[6] *See, e.g.*, Home Telephone Co. Comments at 4-5; Evans Telephone Co. *et al.*, Comments at 4-5; and Minnesota Independent Alliance Comments at 2.

[7] Lexcom Comments at 30.

[8] ITTA Comments at 6-7.

[9] *See, e.g.*, United States Telephone Association ("USTA") Comments at 23; TDS Telecommunications Comments at 21; Organization for the Protection and Advancement of Small Telecommunications Companies ("OPASTCO") Comments at 8-10; and Joint Comments of the National Rural Telephone Association and the National Telephone Cooperative Association ("NRTA-NTCA") at 28.

If the Authorized Rate of Return Is to Be Adjusted, It Should Be Increased, Rather Than Lowered, as Suggested by AT&T

AT&T argues[10] that rate-of-return ILECs charge excessive interstate access charges that should be reduced by lowering the current authorized rate of return of 11.25%. AT&T suggests that, since interest rates are generally lower today than they were in 1991 when the FCC prescribed the current rate of return, small ILECs are earning more than their cost of capital. AT&T is plain wrong.

AT&T ignores the substantial business risks faced by small ILECs today that are greater than when the current rate of return was prescribed. Lexcom has already demonstrated[11] that many small ILECs are highly dependent upon a handful of larger-volume customers for as much as 25-to-30% of their total revenues. These customers can easily be lost to competitors even without local service from a CLEC. Larger customers can easily move much of their local traffic from a small ILEC's network simply by connecting directly to an interexchange carrier's network through a fiber ring or other high-capacity connection. Many of these crucial customers have already done this. Lexcom submits that, if the FCC issued data requests to major interexchange carriers, such as AT&T, MCI-Worldcom, Sprint and Qwest-LCI, the FCC would

[10] AT&T Comments at 5-8.

[11] Lexcom Comments at 28.

find numerous examples where high-volume customers have already moved significant amounts of local traffic off the networks of small ILECs.[12]

Even though larger carriers, both price cap ILEC's and interexchange carriers alike, may face higher levels of overall competition, their larger size and enormous customer bases protect them against unreasonably large business risks. The classic case of the ability of a large market presence to dilute competitive risks is AT&T itself. AT&T is still one of the world's most financially successful companies despite losing millions of customers since competition in long distance began in earnest with the 1984 break-up of the Bell System and the introduction of equal access.

Indeed, AT&T traded at 55 1/4 on Thursday, September 10, 1998[13] in a depressed stock market, or at 18 times its earnings, despite having recorded a pre-tax charge of $3,029 million in the fourth quarter of 1995 to reflect AT&T's restructuring efforts in 1995 and future years.[14] In 1995 and 1996 AT&T spun off its manufacturing subsidiary (now Lucent Technologies, Inc.) and its transaction sensitive computing subsidiary (now NCR Corporation), as well as sold its interests in AT&T Capital Corporation. It was generally understood that AT&T took these major and costly steps to streamline its operations to focus on increased competition in its primary line

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[12] FCC Chairman Kennard has recognized that, even without local competition, small ILECs are very vulnerable to cream-skimming competition. *See* W. Kennard, Remarks, "Keeping America Connected," to the Organization for the Promotion and Advancement of Small Telephone Companies, Fort Lauderdale, FL, January 12, 1998.

[13] *Washington Post* (September 11, 1998) at F5.

[14] "Discontinued Operations," Notes to Consolidated Financial Statements of AT&T Corp., 1996 Form 10-K, filed with the Securities and Exchange Commission ("SEC"), obtained from the SEC's "EDGAR Internet Database."

of business, long distance services. AT&T's write off of $3,029 million is equal to approximately 41.8% of the total 1996 interstate access charge revenues of every ILEC in the United States, excluding only the RBOCs.[15] Only a carrier with such a tremendously large customer base could match AT&T's positive financial market performance so soon after taking a write-off of this financial magnitude.

Small ILECs, especially those with fewer than 50,000 customers, could not hope to survive under similar circumstances. They simply do not have the customer base that allows them to recoup competitive losses through sales to other customers. Because of their smaller customer bases, rate-of-return ILECs face substantially greater competitive and business risks than do larger carriers. When a carrier faces increased business risks, it must earn a higher rate of return in order to attract capital. AT&T itself has traditionally supported this fundamental position when it was rate-of-return regulated by the FCC.[16]

In addition, AT&T has argued vigorously that regulatory and possible legislative changes would create additional risk to investors that required higher risk premiums for equity returns and a higher authorized rate of return from the FCC. Some of these factors identified by AT&T to justify higher return levels were: "FCC decisions and market developments exposing AT&T to

[15] FCC, *Telecommunications Industry Revenue: TRS Fund Worksheet Data 1996*, at Table 19.

[16] *See* Statement of Robert E. La Blanc filed with the FCC, March 8, 1979; Testimony of Dr. Eugene F. Brigham filed with the Arkansas Public Service Commission on behalf of Southwestern Bell Telephone Company (1979), *reprinted in* Course Materials for the "Introductory Seminar on Rate of Return for Bell System Attorneys," January 1981.

increasing competitive market risks and opportunities."[17] Also identified was "the possibility that Congress will rewrite the Communications Act and the Communications Satellite Act and will perform some legal surgery on the Bell corporate organization."[18] AT&T firmly believed that, irrespective of the cost of debt, AT&T required higher returns on equity because the federal government was adopting policies that favored more competition.

AT&T's 1979 self-serving arguments are equally applicable to the facts today, even though AT&T is no longer rate-of-return regulated by the FCC. Since the 11.25% authorized rate of return was last prescribed, the FCC has made many decisions that expose all ILECs to increasing competitive risks. Developments in markets and technology, such as the advent of Internet protocol ("IP") telephony and the growth of wireless services, also have increased competitive risks for small ILECs. Similarly, Congress has actually rewritten the Communications Act in a manner that has increased the role of competition in all markets. The application of AT&T's earlier logic to today's facts clearly shows that small ILECs face increased business risks today, such that a reduction in the authorized rate of return would be improper. In fact, Lexcom suspects that, if the FCC were now to represcribe the authorized rate of return for small ILECs, the FCC would likely prescribe a rate that is substantially higher than the current 11.25% return.

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[17] AT&T Proposed Findings in CC Docket No. 79-63, filed September 29, 1980, at 149, *reprinted in* Course Materials for the "Introductory Seminar on Rate of Return for Bell System Attorneys," January 1981.

[18] *Id.*

AT&T's Proposal to Link Access Charges for Rate-of-Return ILECs to Access Charges Billed by Price Cap ILECs Should Be Rejected Because It Ignores the Different Economic Characteristics of a Small ILEC and the Higher Costs of Serving Primarily Non-Urban Markets

AT&T also argued[19] that the FCC should "peg" access charges for rate-of-return ILECs to a nationwide average price for access charges billed by price cap ILECs. AT&T would allow small ILECs to recover the difference between what "price cap pegged" rates would bring plus the "legitimate restructured revenue requirements" from the universal service fund.[20]

AT&T's argument must be rejected. Rate-of-return ILECs have a right to recover their actual costs of providing access services, as calculated by the FCC's various accounting, separations and access charge cost allocation rules.[21] Price cap access charges, on the other hand, have nothing to do with the costs incurred by small ILECs in providing access services. Price cap-generated access charges are calculated under a different set of regulations that are designed to address the different characteristics of markets served by the very large ILECs, such as the RBOCs, GTE and Sprint - Local Division.

As AT&T recognizes, price cap access charges are normally substantially lower than access charges for rate-of-return ILECs. Even before price cap regulation was introduced for

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[19] AT&T Comments at 5-8.

[20] *Id.* at 6.

[21] A rate-of-return ILEC can either charge access rates that are based on its own costs or it can charge access rates based upon pooled ILEC costs, such as the National Exchange Carrier Association's ("NECA") common line and traffic sensitive pool rates. However, in either event, the small ILEC is charging rates based on FCC-defined costs.

large ILECs, small ILECs' access charge rate levels were higher than those charged by large ILECs. Small ILECs tend to serve rural markets and incur higher costs to provide access services than do large ILECs, which mainly serve lower-cost metropolitan markets. It only stands to reason that large ILECs, whether regulated under rate-of-return or price cap principles, would have substantially lower access charge rate levels. The FCC, in adopting price cap regulation, recognized that the application of mandatory price cap regulation to small ILECs would be unfair.[22]

AT&T wants to impose price cap "X-factor" productivity offsets to small ILECs in order to reduce their access charges. These "X-factor" offsets are designed to reflect the tremendous productivity of the large ILECs, in large part, because of their tremendous economies of scale. The FCC needs no record evidence to conclude that Lexcom, which serves only 33,095 access lines, cannot match the economies of scale possessed by the RBOCs or GTE, some of which serve 20 million access lines. Accordingly, it would be unfair to impose an X-factor used by the RBOCs and GTE to a small ILEC, such as Lexcom. In addition, Lexcom fears that mandatory application of price cap regulation to Lexcom – even indirectly – could reduce Lexcom's revenues to levels where Lexcom would not be able to continue to operate. Putting small ILECs out of business in small towns and rural markets is hardly a worthy goal for access charge reform.

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[22] *Polices and Rules Concerning the Rates of Dominant Carriers*, 4 FCC Rcd 2873 (1989).

AT&T's promise to make up the difference between a small ILEC's actual costs and price cap pegged access rates through the universal service fund is hollow. Small ILECs have no guarantee that the federal universal service fund would enable a small ILEC to recover all of its actual costs in excess of price cap-related access charges. The Fifth Amendment to the United States Constitution requires regulators to allow a telephone company to earn a rate of return equal to that earned by businesses subject to a similar level of competition and risk. Anything less would constitute a confiscation of Lexcom's property in violation of the takings clause.[23] The FCC should avoid even raising any constitutional issues by rejecting AT&T's proposal.

Further, Lexcom suspects that, once AT&T was successful in tying a small ILEC's access charges to price cap access rates, AT&T would immediately begin a campaign to reduce federal universal service funding. Indeed, AT&T's comments[24] make an outright call to "revisit the size of the Universal Service Fund in the context of . . . a rulemaking." Given the vast resources of AT&T and other large long distance carriers, it would not be surprising to see small ILECs out-lobbied before the FCC and the Universal Service Fund set at levels that would not allow small ILECs to recover their actual costs of providing service. In such an event, small ILECs would be forced to raise local rates to levels that would cause many customers to abandon service. Also, some small, high-cost ILECs would probably even go out of business. The FCC cannot allow such a terrible result to occur; it must reject AT&T's proposal out-of-hand.

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[23] *See Bluefield Water Works & Improvement Co. v. Public Service Commission*, 262 U.S. 679 (1923); *Permian Basin Rate Cases*, 390 U.S. 747 (1968).

[24] AT&T Comments at n.7.

AT&T's disregard for universal service shows through its comments[25] when it attacks the duty imposed on AT&T and all interexchange carriers by the Communications Act[26] to maintain nationwide average toll rates. In view of AT&T's open hostility to statutory provisions designed to advance universal service, the FCC should reject AT&T's proposal that seeks to undermine universal service in rural areas.

In addition, AT&T's argument is contradictory AT&T is arguing for average nationwide access charges at the same time it opposes nationwide averaged toll rates. AT&T uses nationwide average toll rates as a way to justify matching interstate access charges in rural areas to the lower costs of providing access services in the urban areas served by the large price cap ILECs. Lexcom suggests that AT&T's concern about matching access charges and toll rates is just another self-serving argument to increase AT&T's bottom line at the expense of small ILECs and their rural customers.

Finally, Lexcom has significant concerns about the strength of the "Universal Service Fund" safety net proffered by AT&T because of the FCC's apparent lack of a full commitment to universal service in rural areas. The FCC, from its orders, press releases and other public utterances, seems more concerned with wiring schools and libraries for Internet access than in ensuring that local telephone service remain affordable for all customers, especially those in rural markets. In the absence of a rock-solid commitment by the FCC to fund 100% of the costs for

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[25] *Id.* at 9.

[26] Section 254(g); 47 U.S.C. §254(g).

rural ILECs that would not be recovered by price-capped access charges, the FCC should not give further consideration to AT&T's plan. It must be rejected.

Small ILECs Should Be Allowed to Recover the Significant Value Provided by Their Local Networks in Rates for Terminating Access

Despite Lexcom's strong disagreements with AT&T on the proper authorized rate of return for small ILECs and the relationship of access charges for small ILECs and access charges billed by price cap ILECs, Lexcom and AT&T agree that it is important for small ILECs to recover substantial access costs on terminating minutes. AT&T argues[27] that it is unfair for rate-of-return ILECs to recover common line and transport interconnection charge ("TIC") costs[28] only from originating access.

AT&T is correct that many interexchange carriers terminate calls in rural exchanges, while only a few interexchange carriers offer originating service from those same exchanges. By lowering the terminating carrier common line ("CCL") charge to zero or even limiting it to $.01 per minute, while recovering more costs on the originating CCL charge, only those interexchange carriers that offer originating service from rural exchanges make a fair

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[27] AT&T Comments at 8-10.

[28] Lexcom differs with AT&T's characterization of common line and TIC costs as "subsidies." AT&T Comments at 9. Lexcom's common line and TIC costs are real costs incurred by Lexcom to operate its network and to provide service. Again, it appears that AT&T's true complaint is with the universal service requirements of the Telecommunications Act of 1996 that guarantee that rural customers need only pay rates for local service that are comparable to those paid by customers in urban areas.

contribution to the costs of operating rural exchanges. It is unfair to these few originating long distance carriers to require them to carry a heavier load than that carried by those many long distance carriers that terminate calls in rural exchanges. From Lexcom's position, it is equally unfair to make Lexcom charge a rate to long distance carriers for the value of being able to terminate calls to almost everyone who lives in Davidson County, NC, at any time of day or night, that is lower than the price than Lexcom charges long distance carriers to originate calls in Davidson County.

Universal service provides great value to long distance carriers and their customers even for those people who never make a long distance call. For example, residents of homes for the elderly may rarely make long distance calls. Yet, many of these same elderly people regularly receive long distance calls from their children or grandchildren who live in some other part of the country. Keeping local service rates affordable for elderly Americans allows their family members to keep in contact through long distance calls. These calls made to elderly telephone subscribers, of course, provide additional revenue for long distance carriers. Both AT&T and Lexcom believe that those same long distance carriers should pay terminating access charges that are high enough to reflect this value. This result is fair to all.

AT&T's statement that lower originating access charges, enabled by allowing small ILECs to charge higher rates for terminating access, would creative added incentives for more long distance carriers to offer originating service in rural markets is, obviously, correct. Lexcom believes that, in many markets served by only two or three interexchange carriers at most, lower originating access charge prices would result in additional interexchange carriers, especially regional ones, entering the market. Of course, the availability of more long distance carriers would be of benefit to residents of rural areas.

Lexcom must note that it is important that any increase in terminating access rates must not become a subterfuge for lowering overall access revenues for small ILECs. It would be of little benefit for small ILECs to capture additional value from terminating access charges if the increased terminating revenues were exceeded by even greater reductions on originating access charges. For example, it would be wrong and unlawful for the FCC to adopt new access charge rules that resulted in a ten-percent reduction in total access charge revenues, even though terminating access revenues were increased by twenty percent.

Access charges in rural markets will always be higher than access charges in large urban markets because the costs of providing service in rural areas is higher than in urban markets. Rural ILECs have longer loops and lower customer densities, which translate directly into higher operating costs. Because of universal service principles, now codified into federal statute, rates for local service in rural areas must be comparable to rates for local service in urban areas.[29] Congress has limited, therefore, how much of a rural ILEC's higher costs can be recovered from local service rates. The rest must be recovered from access charges or from payments from the

[29] For example, Bell Atlantic's local loop costs are so low in the District of Columbia that Bell Atlantic needs to charge only $3.91 per month for additional lines provided to residential customers, a rate that is 21% less than the current FCC cap on SLC rates for non-primary residential lines. Bell Atlantic Tariff F.C.C. No. 1, Section 4.1.7(A) (effective July 1, 1998). Many small and rural ILECs could easily impose SLCs of $10 or more per month, without recovering all of their local loop costs. However, Lexcom submits that, with SLC rates of $10 per month, many current residential customers would cancel telephone service altogether.

universal service fund, which recover all of such costs, not just some as advocated by many long distance carriers. It is time for the FCC to refuse to listen to any more arguments that claim access charges for small and rural ILECs can be lowered without harming universal service.

Conclusion

For the reasons set forth above, the FCC should not adopt access charge reform as proposed in the *Notice*. Neither should the FCC adopt AT&T's proposals to reduce the authorized rate of return below 11.25% or to tie access charges for rate-of-return ILECs to those billed by price cap ILECs. Rather, the FCC should open a broad inquiry into the overall rate deregulation of rural ILECs, as suggested by Lexcom in its initial comments.

Respectfully submitted,
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CERTIFICATE OF SERVICE

I, Stella H. Hughes, hereby certify that on September 17, 1998, a copy of the foregoing Reply Comments of Lexcom Telephone Company, and Certificate of Service has been served on the following parties, by hand delivery or by United States Postal Service, first class, postage prepaid.

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